

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A	This return/report is for: ☐ a multiemployer plan ☒ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☐ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan AUSTIN BANK TEXAS, N.A. EMPLOYEES PROFIT SHARING PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 12/20/1955
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) AUSTIN BANK, TEXAS, N.A. P.O. BOX 951 200 EAST COMMERCE JACKSONVILLE, TX 75766-0951
2b	Employer Identification Number (EIN) 75-0358895
2c	Plan Sponsor's telephone number 903-586-1526
2d	Business code (see instructions) 522110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	08/04/2023	LYNN LITTLEJOHN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/04/2023	LYNN LITTLEJOHN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 632
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 508
a(2) Total number of active participants at the end of the plan year		6a(2) 611
b Retired or separated participants receiving benefits		6b 4
c Other retired or separated participants entitled to future benefits.....		6c 131
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 746
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 746
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 746
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 1
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2G 2J 2K 2F 2T 2S 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☒ Insurance	
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts	
(3) ☒ Trust	(3) ☒ Trust	
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules		b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☒ 1 A (Insurance Information)	
	(4) ☒ C (Service Provider Information)	
	(5) ☐ D (DFE/Participating Plan Information)	
	(6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan AUSTIN BANK TEXAS, N.A. EMPLOYEES PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 AUSTIN BANK, TEXAS, N.A.	D Employer Identification Number (EIN) 75-0358895	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY
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(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	300280	746	01/01/2022	12/31/2022

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	39794

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid WELLS FARGO WEALTH BROKGE INS AGCY 401 SOUTH TRYON ST 11TH FLOOR CHARLOTTE, NC 28288-0260
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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	39794	SERVICES TO INSURER OR PLAN	4

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end..... **4** 24814264**5** Current value of plan's interest under this contract in separate accounts at year end..... **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount..... **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT****b** Balance at the end of the previous year **7b** 24951093**c** Additions: (1) Contributions deposited during the year **7c(1)** 1058738
(2) Dividends and credits **7c(2)**
(3) Interest credited during the year **7c(3)** 454866
(4) Transferred from separate account **7c(4)**
(5) Other (specify below) **7c(5)** 4963924▶ **LOAN REPAYMENTS , TRANSFERS IN MISCELLANEOUS IN FORFEITURE CREDITS**(6) Total additions **7c(6)** 6477528**d** Total of balance and additions (add lines **7b** and **7c(6)**) **7d** 31428621**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 2361875
(2) Administration charge made by carrier **7e(2)** 794
(3) Transferred to separate account **7e(3)**
(4) Other (specify below) **7e(4)** 4251688▶ **LOAN INITIATIONS , TRANSFERS OUT MISCELLANEOUS OUT FORFEITURES DEBITS**(5) Total deductions **7e(5)** 6614357**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 24814264

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan AUSTIN BANK TEXAS, N.A. EMPLOYEES PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 AUSTIN BANK, TEXAS, N.A.	D Employer Identification Number (EIN) 75-0358895	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND
06-1050034

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
--

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 50	NONE	5892	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

THE PRUDENTIAL INSURANCE COMPANY OF

22-1211670

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 50	NONE	175	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

WELLS FARGO ADVISORS

34-1542819

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
33 71	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	125332	Yes ☐ No ☒

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND	15 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL RETIREMENT INSURANCE AND 06-1050034	30.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2022 TO 4/30/2022 GUARANTEED INCOME FUND	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE PRUDENTIAL INSURANCE COMPANY OF	15 60 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL INVESTMENTS, LLC 22-3468527	22.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2022 TO 12/31/2022 PGIM JENN MID-CAP GRWTH Z	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE PRUDENTIAL INSURANCE COMPANY OF	15 60 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL INVESTMENTS, LLC 22-3468527	22.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2022 TO 12/31/2022 PGIM QNT SOL MC VAL Z	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>AUSTIN BANK TEXAS, N.A. EMPLOYEES PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AUSTIN BANK, TEXAS, N.A.</u>	D Employer Identification Number (EIN) <u>75-0358895</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	268	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests.....	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants).....	1c(7)		
(8) Participant loans.....	1c(8)	1433890	1502567
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	70528417	56405083
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	24951093	24814264
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	96913668	82721914

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	96913668	82721914
---	-----------	----------	----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2359880	
(B) Participants	2a(1)(B)	2533007	
(C) Others (including rollovers)	2a(1)(C)	213480	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		5106367
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	65075	
(F) Other	2b(1)(F)	454866	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		519941
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	666255	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		666255
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-13044325
c Other income	2c		-294
d Total income. Add all income amounts in column (b) and enter total	2d		-6752056
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7432852	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		7432852
f Corrective distributions (see instructions)	2f		204
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	5782	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	860	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		6642
j Total expenses. Add all expense amounts in column (b) and enter total	2j		7439698
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-14191754
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **PAYNE & SMITH LLC**

(2) EIN: **27-0316262**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		3000000
4e	X		3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan AUSTIN BANK TEXAS, N.A. EMPLOYEES PROFIT SHARING PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 AUSTIN BANK, TEXAS, N.A.		D Employer Identification Number (EIN) 75-0358895
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 22-1211670		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:	14a		
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....		14b	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)			14c
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)			
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:	15a		
a The corresponding number for the plan year immediately preceding the current plan year.....		15b	
b The corresponding number for the second preceding plan year.....			
16 Information with respect to any employers who withdrew from the plan during the preceding plan year:	16a		
a Enter the number of employers who withdrew during the preceding plan year		16b	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....			
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐			

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

***AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN***

**Financial Statements and
Supplemental Schedule**

December 31, 2022 and 2021

(With Independent Auditor's Report Thereon)

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Independent Auditor's Report

The Plan Administrator
Austin Bank, Texas, N.A. Employees' Profit Sharing Plan
Jacksonville, Texas

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Austin Bank, Texas, N.A. Employees' Profit Sharing Plan 401(k) Plan ("the Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the Financial Statements

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting as described in Note 2.
- The information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the Financial Statements

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with modified cash basis of accounting as described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters - Supplemental Schedule Required by ERISA

The supplemental Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by qualified institutions agree to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

Payne & Smith, LLC

July 28, 2023

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Statements of Net Assets Available for Benefits

December 31, 2022 and 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Investments:		
Investments at contract value	\$ 24,814,264	\$ 24,951,093
Investments at fair value	<u>56,405,083</u>	<u>70,528,685</u>
Total investments	<u>81,219,347</u>	<u>95,479,778</u>
Receivables:		
Employer contributions	1,278,521	984,146
Participants' contributions	77,817	16,779
Notes receivable from participants	<u>1,502,567</u>	<u>1,433,890</u>
Total receivables	<u>2,858,905</u>	<u>2,434,815</u>
Total assets	<u>84,078,252</u>	<u>97,914,593</u>
<u>LIABILITIES</u>	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 84,078,252</u>	<u>\$ 97,914,593</u>

The accompanying notes are an integral part of these financial statements.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2022

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Interest income on notes receivable from participants	\$ 65,075
Contributions:	
Employer	2,672,732
Participants'	2,594,045
Rollover	<u>213,480</u>
Total contributions	<u>5,480,257</u>
Total additions	<u>5,545,332</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Investment (income) loss:	
Net depreciation in value of investments	12,937,496
Interest on investments at contract value	(454,866)
Dividends on investments at fair value	(666,255)
Investment management service fees	<u>125,332</u>
Total investment loss	11,941,707
Distributions to participants	7,433,056
Administrative expenses	<u>6,910</u>
Total deductions	<u>19,381,673</u>

NET DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS	(13,836,341)
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NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<u>97,914,593</u>
End of year	<u><u>\$ 84,078,252</u></u>

The accompanying notes are an integral part of these financial statements.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Notes to Financial Statements

December 31, 2022 and 2021

1. Description of the Plan

The following description of the Austin Bank, Texas, N.A. Employees' Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan whereby eligible employees of Austin Bank, Texas, N.A. or any affiliate who has adopted the Plan (collectively referred to as Company or employer) are permitted to make contributions that are tax deferred under section 401(k) of the Internal Revenue Code (the Code). The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and was most recently amended effective November 1, 2022 to change certain eligibility and participant contribution requirements, and to permit Roth contributions. The Plan is overseen by the Company's Profit-Sharing Plan Committee which reports to the Company's board of trustees and is administered by a Plan Administrator. The Profit-Sharing Plan Committee determines the appropriateness of the Plan's investments and monitors investment performance.

Eligibility

Prior to November 1, 2022, employees became eligible for participation on the entry date next following the completion of one year of service, as defined by the Plan. Effective November 1, 2022, eligible employees may enter the Plan on the first day of employment.

Contributions

Participants may contribute between 1% and 50% of their pretax annual compensation allowed by law, subject to certain maximum limitations imposed by the Internal Revenue Code ("the Code"), as defined in the Plan. Participants may elect to make Pre-Tax 401(k) deferrals or Roth 401(k) deferrals. Prior to November 1, 2022, participants could only make Pre-Tax 401(k) deferrals. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

Participants who are eligible to make salary deferral contributions under the Plan and have attained age 50 before the close of the plan year may make catch-up contributions in accordance with, and subject to the maximum limitation imposed by the Code.

The Plan includes an automatic deferral feature whereby the Employer automatically withholds 4% of a participant's compensation each payroll period and contribute that amount to the Plan as a pre-tax 401(k) deferral unless the Employer amends the Plan, or the participant opts out or enters into a Salary Reduction Agreement. The automatic escalation provisions (AEP) apply to participants who have completed a Salary Reduction Agreement to defer at least 1% of compensation, unless and until they make a contrary election after the AEP's effective date. A participant's pre-tax elective deferral withheld under the AEP rules will increase by 1% each plan year until the amount reaches 15% of compensation unless and until a participant makes a contrary election after the AEP's effective date. The increase in the amount automatically withheld from a participant's pay will be effective on April 1st following the date that the participant executes a Salary Reduction Agreement, or, if sooner, the effective date of the AEP.

The Plan is a "safe harbor plan." Under these provisions, the Employer will make a safe harbor matching contribution equal to 100% of a participant's elective deferrals that do not exceed 4% of the participant's eligible compensation.

The Employer may also make a discretionary additional matching contribution (profit sharing contribution) and discretionary nonelective contributions to participants who have completed one year of service or 1,000 hours of service as defined by the Plan. A participant's share of nonelective contributions is determined using a formula specified in the Plan. Employer contributions for the current year paid to the Plan during the following year are accrued as receivables on the statement of net assets available for benefits. At December 31, 2022 and 2021, employer contribution receivables were comprised of accrued profit-sharing contributions in the amounts of \$1,278,521 and \$984,146, respectively.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Vesting

Participants are immediately fully vested in their salary deferral, rollover and safe harbor contributions plus actual earnings (losses) thereon. Vesting in the Company's discretionary match contributions and Company's profit-sharing contributions plus related earnings (losses) thereon is determined by the years of service based on the following vesting schedule:

<u>Years of Service</u>	<u>Vesting</u>
Less than 3	0%
3	100%

In the event of death, disability or attainment of the normal retirement age while employed by the Company, participants become 100% vested in their portion of employer contributions.

Participant Accounts

Each participant's account is credited with the participant's contributions and discretionary contributions, and an allocation of plan earnings. Each participant's account is also charged for distributions and certain direct expenses. Allocations are based on participant account balances, as defined. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account.

Notes receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest (prime rate in effect plus 1%) at rates ranging from 4.25% to 8.75%, which are commensurate with local prevailing rates as determined periodically by the Plan. Principal and interest are paid ratably through monthly payroll deductions. A participant can only have one loan currently outstanding, from the Plan.

Investment Options

Participants must direct contributions to selected investments as made available and determined by the Plan Administrator. Participants may change their investment options at any time throughout the year via internet or direct phone access to Prudential's plan sponsor web site.

The Plan currently offers various mutual funds and two common collective stable value funds as investment options for participants. The Plan's Qualified Default Investment Alternative ("QDIA") for those participants, including beneficiaries, who have not provided investment directions, is the Guaranteed Income Fund ("GIF") within the GoalMaker portfolio model funds. Contributions are automatically invested in QDIA funds until changed by the participant.

Forfeitures

Forfeitures represent the portion of non-vested benefit payments remaining in the Plan for all terminated employees. Forfeitures may be used to reduce discretionary additional employer matching contributions or pay Plan expenses. During 2022 and 2021, newly forfeited account balances totaled \$31,160 and \$33,987, respectively. During 2022 and 2021, the Plan used forfeitures in the amount of \$18,476 and zero, respectively, to reduce employer matching contributions. During 2022 and 2021, the Plan used forfeitures in the amount of \$1,000 and \$3,576, respectively, to offset administrative expenses of the Plan. During 2022 and 2021, the earnings credited to the forfeitures account amounted to \$1,418 and \$664, respectively. At December 31, 2022 and 2021, the balance of forfeited nonvested accounts totaled \$74,389 and \$61,287, respectively.

Payment of Benefits

Benefits under the Plan will generally be made out in cash only. Distributions to participants with vested account balances less than \$5,000 are made in a single lump-sum payment equal to the value of the participant's vested interest in their account. In determining whether the vested account balance exceeds the \$5,000 threshold, "rollover" contributions (and any earnings allocable to "rollover" contributions) will be considered. Participants with vested account balances in excess of \$5,000, may elect to receive distributions in the form of a single lump-sum payment, partial withdrawals, or installments over a period of not more than the assumed life expectancy of the beneficiary and/or participant. To comply with certain requirements of the SECURE Act of 2019 and IRS regulations, the Plan requires participants to take their first required minimum distribution in the year they reach age 72.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

2. Summary of Significant Accounting Policies

Date of Management's Review and Subsequent Events

The Plan has evaluated events and transactions for potential recognition or disclosure through July 28, 2023, which is the date the financial statements were available to be issued.

Effective April 1, 2022, Empower Retirement, LLC officially acquired the full-service retirement plan recordkeeping and administrative business of Prudential Financial, Inc. (Prudential), inclusive of Prudential's defined contribution, qualified rollover IRA business, Prudential's stable value and separate accounts investment products and platforms. Prudential is the parent company of Prudential Trust Company (the trustee of the Plan), and Prudential Insurance Company of America, an agent for the trustee of the Plan.

Basis of Accounting

The financial statements of the Plan are presented on the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Therefore, interest and dividend income on a significant portion of investments was not accrued as of December 31, 2022 and 2021.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts (FBRICS). Contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Therefore, the statement of changes in net assets available for benefits has been prepared on a contract value basis.

Use of Estimates

The preparation of financial statements in conformity with a basis of accounting other than generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value, except for FBRICS, which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Profit-Sharing Plan Committee determines the Plan's valuation policies. See Note 5 for discussion of fair value measurements.

The net depreciation in value of investments consists of the realized gains and losses on investments bought and sold as well as held during the year and unrealized appreciation (depreciation) of investments. The net change in unrealized appreciation (depreciation) in the value of investments is determined by the change in fair value from the beginning of the year to the end of the year or change in fair value from date of the purchase to the end of the year.

Purchases and sales are recorded on a trade date basis. Interest income and dividends are recorded when received.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2022, and 2021, no allowance for credit losses has been recorded.

If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document.

The fair value disclosures for financial instruments are not required for participant loans. Also, participant loans continue to be considered as investments for Form 5500 reporting purposes.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Officers or employees of the Company perform certain administrative functions for the Plan. However, such officers and employees receive no compensation from the Plan. Part of the Plan's administrative expenses paid by the Company are excluded from these financial statements.

3. Information Certified by Trustees

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Prudential Trust Company (the trustee of the Plan), and Prudential Insurance Company of America as agent of the trustee of the Plan.

	<u>2022</u>	<u>2021</u>
Investments:		
Investments at contract value	\$ 24,814,264	\$ 24,951,093
Investments at fair value	<u>56,405,083</u>	<u>70,528,685</u>
Total investments	<u>\$ 81,219,347</u>	<u>\$ 95,479,778</u>
Notes receivable from participants	<u>\$ 1,502,567</u>	<u>\$ 1,433,890</u>
Interest on investments at contract value	<u>\$ 454,866</u>	
Dividends on investments at fair value	<u>\$ 666,255</u>	
Interest income on notes receivable from participants	<u>\$ 65,075</u>	

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

4. Guaranteed Investment Contracts with Insurance Company

The Plan investments include one benefit-responsive guaranteed investment contract (Guaranteed Income Fund). The Guaranteed Income Fund ("GIF") is a stable value fund issued by Prudential Retirement Insurance and Annuity Company and managed Prudential Insurance Company of America, which are affiliated entities of Prudential Trust Company (Prudential). The contributions in the GIF are maintained in Prudential's general account. The GIF accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed investment contracts meet the criteria to be considered fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. The guaranteed investment contracts are presented on the face of the statement of net assets available for benefits at contract value. At December 31, 2022 and 2021, the contract value of the GIF stable value fund was \$24,814,264 and \$24,951,093, respectively.

Contract value, as reported to the Plan by the issuers represents contributions made under the contracts, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero percent. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events limit the Plan's ability to transact at contract value with the issuers. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the Employee Retirement Income Security Act of 1974 (ERISA). Furthermore, certain events would allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring. The guaranteed investment contract does not permit the issuer to terminate the agreement prior to the scheduled maturity date.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

5. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures* establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three broad levels of the fair value hierarchy are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.
- Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1).
- Level 3 inputs consist of unobservable inputs and have the lowest priority.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs are not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs are not available. There are no plan assets requiring the use of Level 3 inputs for the periods presented.

Level 1 Fair Value Measurements

Mutual funds - The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Plan are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded.

Money market funds – Unallocated cash is temporarily invested in money market funds which are valued using pricing models that maximize the use of observable inputs for similar securities. Although a money market fund seeks to preserve the value of \$1 of investment at \$1 per share (unit), it is possible to lose money by investing in such a fund.

The following table set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2022 and 2021:

	Fair Value Measurements Using:	
	<u>Quoted Prices in Active</u>	
	<u>Markets for Identical Assets</u>	<u>Fair Value</u>
	<u>(Level 1)</u>	
December 31, 2022:		
Mutual funds	\$ 56,405,083	\$ 56,405,083
Unallocated cash in money market fund	-	-
Investments, at fair value	<u>\$ 56,405,083</u>	<u>\$ 56,405,083</u>
December 31, 2021:		
Mutual funds	\$ 70,528,417	\$ 70,528,417
Unallocated cash in money market fund	268	268
Investments, at fair value	<u>\$ 70,528,685</u>	<u>\$ 70,528,685</u>

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2022 are reported in net depreciation in value of investments.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

6. Party-In-Interest Transactions

Certain Plan investments are money market funds and shares of mutual funds managed by Prudential Trust Company (Prudential). Other Plan investments are units of stable value funds sponsored by Prudential Retirement Insurance and Annuity Company and managed Prudential Insurance Company of America, which are affiliated entities of Prudential. Prudential is the contract administrator and trustee of the Plan as defined by the Plan. Therefore, transactions with Prudential qualify as party-in-interest transactions. Fees paid by the Plan for contract administration services are included in administrative expenses on the accompanying statement of changes in net assets available for benefits. During 2022, fees directly paid by the Plan for contract administration services provided by Prudential totaled \$6,910.

Prudential uses Wells Fargo Clearing Services, LLC ("WFCS"), a subservice organization, to provide brokerage services (investment management services) to the Plan. Therefore, transactions with WFCS qualify as party-in-interest transactions. Fees paid by the Plan for investment management services are included in investment income on the accompanying statement of changes in net assets available for benefits, as they are paid through revenue sharing rather than a direct payment arrangement. During 2022, indirect fees paid by the Plan for investment management services provided by WFCS totaled \$125,332.

Payne & Smith, LLC is the Plan's independent public accountant ("IPA") as defined by the Plan. Therefore, the IPA is a party-in-interest under ERISA and transactions with the IPA qualify as party-in-interest transactions. During 2022, fees paid by the Plan for audit and nonattest services provided by the IPA were paid by the Company in full and are therefore, neither disclosed nor included or accrued on the accompanying financial statements.

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

7. Risks and Uncertainties

The Plan provides for various investment options in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with investment securities, and the level of uncertainty related to changes in the value of these securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and changes in net assets available for benefits.

The following table presents concentrations of investments that represented 5% or more of the Plan's net assets at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Investments at fair value:		
Bond Fund of America	\$ 7,034,396	\$ 7,850,739
Columbia Seligman Commun & Info. R5	***	5,061,086
Euro Pacific Growth Fund	6,338,738	7,839,554
Growth Fund of America	10,346,120	14,044,590
Invesco Comstock Y	12,038,461	13,217,621
Investments at contract value:		
Guaranteed Income Fund	24,814,264	24,951,093

*** Investment concentration did not represent 5% or more of the Plan assets as of the year end presented.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

8. Tax Status

The Plan has adopted a prototype non-standardized profit-sharing plan with CODA sponsored by Prudential Insurance Company of America (Prudential). The prototype plan received an opinion letter, dated April 29, 2014, from the Internal Revenue Service ("IRS") as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by the Plan.

Accounting principles generally accepted in the United States of America require the Plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress.

9. Plan Termination

While there is no intention to do so, the employer reserves the right to terminate the Plan. In the event of termination of the Plan, the participants become fully vested in their employer contribution balances, and the net assets of the Plan will be distributed to the participants of the Plan in accordance with the provisions of ERISA.

10. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500 at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per the financial statements	\$ 84,078,252	\$ 97,914,593
Amounts excluded from Form 5500:		
Employer contributions receivable	(1,278,521)	(984,146)
Participants' contributions receivable	<u>(77,817)</u>	<u>(16,779)</u>
Total exclusions	<u>(1,356,338)</u>	<u>(1,000,925)</u>
Net assets available for benefits per Schedule H of Form 5500	<u>\$ 82,721,914</u>	<u>\$ 96,913,668</u>

The following is a reconciliation of statement of changes in net assets available for benefits per the financial statements for the year ended December 31, 2022 to Schedule H of Form 5500:

Net decrease in net assets available for benefits per the financial statements	\$ (13,836,341)
Amounts excluded from Form 5500:	
Change in employer contributions receivable	(294,375)
Change in participants' contributions receivable	<u>(61,038)</u>
Total exclusions	<u>(355,413)</u>
Net income per Schedule H of Form 5500	<u>\$ (14,191,754)</u>

SUPPLEMENTAL SCHEDULE

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2022

EIN: 75-0358895

PN: 002

(a)	(b)	(c)	(d)	(e)
<u>Identity of issuer, borrower, lessor or similar party</u>	<u>Description of investment</u>	<u>Units (Shares)</u>	<u>Cost</u>	<u>Current Value</u>
Investments at contract value:				
	Prudential Retirement Insurance and Annuity Company			
*	Guaranteed Income Fund	Stable value fund	906,222.7564	** \$ 24,814,264
Investments at fair value:				
	American Balanced Fund	Mutual fund	123,539.3626	** \$ 3,552,992
	Bond Fund of America	Mutual fund	618,136.7211	** 7,034,396
	Euro Pacific Growth Fund	Mutual fund	129,282.8504	** 6,338,738
	Growth Fund of America R3	Mutual fund	215,051.3402	** 10,346,120
	Hartford Small Cap Growth R3	Mutual fund	59,773.4083	** 2,069,356
	Invesco Comstock Y	Mutual fund	454,968.2865	** 12,038,461
	JPM Small Cap Value Select	Mutual fund	119,447.2146	** 2,887,039
*	Prudential Jennison Mid Cap Growth Z	Mutual fund	193,843.8621	** 3,324,423
*	Prudential QMA Stock Index Z	Mutual fund	60,725.2811	** 2,023,366
	Columbia Seligman Commun & Info. R5	Mutual fund	33,169.3453	** 3,162,697
*	Wells Fargo SPC Mid Cap	Mutual fund	81,792.4509	** 3,627,495
	Total investments at fair value			56,405,083
	Total investments			\$ 81,219,347
Notes receivable from participants:				
	Participant loans	Interest rates range from 4.25% to 8.75%, various maturity dates through September 2035		1,502,567
	TOTAL ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2022			\$ 82,721,914

* Denotes party-in-interest

** Cost not required for participant-directed investments

See accompanying independent auditor's report and notes thereto.

***AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN***

**Financial Statements and
Supplemental Schedule**

December 31, 2022 and 2021

(With Independent Auditor's Report Thereon)

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Independent Auditor's Report

The Plan Administrator
Austin Bank, Texas, N.A. Employees' Profit Sharing Plan
Jacksonville, Texas

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Austin Bank, Texas, N.A. Employees' Profit Sharing Plan 401(k) Plan ("the Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the Financial Statements

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting as described in Note 2.
- The information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the Financial Statements

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with modified cash basis of accounting as described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters - Supplemental Schedule Required by ERISA

The supplemental Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by qualified institutions agree to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

Payne & Smith, LLC

July 28, 2023

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Statements of Net Assets Available for Benefits

December 31, 2022 and 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Investments:		
Investments at contract value	\$ 24,814,264	\$ 24,951,093
Investments at fair value	<u>56,405,083</u>	<u>70,528,685</u>
Total investments	<u>81,219,347</u>	<u>95,479,778</u>
Receivables:		
Employer contributions	1,278,521	984,146
Participants' contributions	77,817	16,779
Notes receivable from participants	<u>1,502,567</u>	<u>1,433,890</u>
Total receivables	<u>2,858,905</u>	<u>2,434,815</u>
Total assets	<u>84,078,252</u>	<u>97,914,593</u>
<u>LIABILITIES</u>	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 84,078,252</u>	<u>\$ 97,914,593</u>

The accompanying notes are an integral part of these financial statements.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2022

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Interest income on notes receivable from participants	\$ 65,075
Contributions:	
Employer	2,672,732
Participants'	2,594,045
Rollover	<u>213,480</u>
Total contributions	<u>5,480,257</u>
Total additions	<u>5,545,332</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Investment (income) loss:	
Net depreciation in value of investments	12,937,496
Interest on investments at contract value	(454,866)
Dividends on investments at fair value	(666,255)
Investment management service fees	<u>125,332</u>
Total investment loss	11,941,707
Distributions to participants	7,433,056
Administrative expenses	<u>6,910</u>
Total deductions	<u>19,381,673</u>

NET DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS	(13,836,341)
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NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<u>97,914,593</u>
End of year	<u><u>\$ 84,078,252</u></u>

The accompanying notes are an integral part of these financial statements.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Notes to Financial Statements

December 31, 2022 and 2021

1. Description of the Plan

The following description of the Austin Bank, Texas, N.A. Employees' Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan whereby eligible employees of Austin Bank, Texas, N.A. or any affiliate who has adopted the Plan (collectively referred to as Company or employer) are permitted to make contributions that are tax deferred under section 401(k) of the Internal Revenue Code (the Code). The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and was most recently amended effective November 1, 2022 to change certain eligibility and participant contribution requirements, and to permit Roth contributions. The Plan is overseen by the Company's Profit-Sharing Plan Committee which reports to the Company's board of trustees and is administered by a Plan Administrator. The Profit-Sharing Plan Committee determines the appropriateness of the Plan's investments and monitors investment performance.

Eligibility

Prior to November 1, 2022, employees became eligible for participation on the entry date next following the completion of one year of service, as defined by the Plan. Effective November 1, 2022, eligible employees may enter the Plan on the first day of employment.

Contributions

Participants may contribute between 1% and 50% of their pretax annual compensation allowed by law, subject to certain maximum limitations imposed by the Internal Revenue Code ("the Code"), as defined in the Plan. Participants may elect to make Pre-Tax 401(k) deferrals or Roth 401(k) deferrals. Prior to November 1, 2022, participants could only make Pre-Tax 401(k) deferrals. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

Participants who are eligible to make salary deferral contributions under the Plan and have attained age 50 before the close of the plan year may make catch-up contributions in accordance with, and subject to the maximum limitation imposed by the Code.

The Plan includes an automatic deferral feature whereby the Employer automatically withholds 4% of a participant's compensation each payroll period and contribute that amount to the Plan as a pre-tax 401(k) deferral unless the Employer amends the Plan, or the participant opts out or enters into a Salary Reduction Agreement. The automatic escalation provisions (AEP) apply to participants who have completed a Salary Reduction Agreement to defer at least 1% of compensation, unless and until they make a contrary election after the AEP's effective date. A participant's pre-tax elective deferral withheld under the AEP rules will increase by 1% each plan year until the amount reaches 15% of compensation unless and until a participant makes a contrary election after the AEP's effective date. The increase in the amount automatically withheld from a participant's pay will be effective on April 1st following the date that the participant executes a Salary Reduction Agreement, or, if sooner, the effective date of the AEP.

The Plan is a "safe harbor plan." Under these provisions, the Employer will make a safe harbor matching contribution equal to 100% of a participant's elective deferrals that do not exceed 4% of the participant's eligible compensation.

The Employer may also make a discretionary additional matching contribution (profit sharing contribution) and discretionary nonelective contributions to participants who have completed one year of service or 1,000 hours of service as defined by the Plan. A participant's share of nonelective contributions is determined using a formula specified in the Plan. Employer contributions for the current year paid to the Plan during the following year are accrued as receivables on the statement of net assets available for benefits. At December 31, 2022 and 2021, employer contribution receivables were comprised of accrued profit-sharing contributions in the amounts of \$1,278,521 and \$984,146, respectively.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Vesting

Participants are immediately fully vested in their salary deferral, rollover and safe harbor contributions plus actual earnings (losses) thereon. Vesting in the Company's discretionary match contributions and Company's profit-sharing contributions plus related earnings (losses) thereon is determined by the years of service based on the following vesting schedule:

<u>Years of Service</u>	<u>Vesting</u>
Less than 3	0%
3	100%

In the event of death, disability or attainment of the normal retirement age while employed by the Company, participants become 100% vested in their portion of employer contributions.

Participant Accounts

Each participant's account is credited with the participant's contributions and discretionary contributions, and an allocation of plan earnings. Each participant's account is also charged for distributions and certain direct expenses. Allocations are based on participant account balances, as defined. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account.

Notes receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest (prime rate in effect plus 1%) at rates ranging from 4.25% to 8.75%, which are commensurate with local prevailing rates as determined periodically by the Plan. Principal and interest are paid ratably through monthly payroll deductions. A participant can only have one loan currently outstanding, from the Plan.

Investment Options

Participants must direct contributions to selected investments as made available and determined by the Plan Administrator. Participants may change their investment options at any time throughout the year via internet or direct phone access to Prudential's plan sponsor web site.

The Plan currently offers various mutual funds and two common collective stable value funds as investment options for participants. The Plan's Qualified Default Investment Alternative ("QDIA") for those participants, including beneficiaries, who have not provided investment directions, is the Guaranteed Income Fund ("GIF") within the GoalMaker portfolio model funds. Contributions are automatically invested in QDIA funds until changed by the participant.

Forfeitures

Forfeitures represent the portion of non-vested benefit payments remaining in the Plan for all terminated employees. Forfeitures may be used to reduce discretionary additional employer matching contributions or pay Plan expenses. During 2022 and 2021, newly forfeited account balances totaled \$31,160 and \$33,987, respectively. During 2022 and 2021, the Plan used forfeitures in the amount of \$18,476 and zero, respectively, to reduce employer matching contributions. During 2022 and 2021, the Plan used forfeitures in the amount of \$1,000 and \$3,576, respectively, to offset administrative expenses of the Plan. During 2022 and 2021, the earnings credited to the forfeitures account amounted to \$1,418 and \$664, respectively. At December 31, 2022 and 2021, the balance of forfeited nonvested accounts totaled \$74,389 and \$61,287, respectively.

Payment of Benefits

Benefits under the Plan will generally be made out in cash only. Distributions to participants with vested account balances less than \$5,000 are made in a single lump-sum payment equal to the value of the participant's vested interest in their account. In determining whether the vested account balance exceeds the \$5,000 threshold, "rollover" contributions (and any earnings allocable to "rollover" contributions) will be considered. Participants with vested account balances in excess of \$5,000, may elect to receive distributions in the form of a single lump-sum payment, partial withdrawals, or installments over a period of not more than the assumed life expectancy of the beneficiary and/or participant. To comply with certain requirements of the SECURE Act of 2019 and IRS regulations, the Plan requires participants to take their first required minimum distribution in the year they reach age 72.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

2. Summary of Significant Accounting Policies

Date of Management's Review and Subsequent Events

The Plan has evaluated events and transactions for potential recognition or disclosure through July 28, 2023, which is the date the financial statements were available to be issued.

Effective April 1, 2022, Empower Retirement, LLC officially acquired the full-service retirement plan recordkeeping and administrative business of Prudential Financial, Inc. (Prudential), inclusive of Prudential's defined contribution, qualified rollover IRA business, Prudential's stable value and separate accounts investment products and platforms. Prudential is the parent company of Prudential Trust Company (the trustee of the Plan), and Prudential Insurance Company of America, an agent for the trustee of the Plan.

Basis of Accounting

The financial statements of the Plan are presented on the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Therefore, interest and dividend income on a significant portion of investments was not accrued as of December 31, 2022 and 2021.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts (FBRICS). Contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Therefore, the statement of changes in net assets available for benefits has been prepared on a contract value basis.

Use of Estimates

The preparation of financial statements in conformity with a basis of accounting other than generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value, except for FBRICS, which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Profit-Sharing Plan Committee determines the Plan's valuation policies. See Note 5 for discussion of fair value measurements.

The net depreciation in value of investments consists of the realized gains and losses on investments bought and sold as well as held during the year and unrealized appreciation (depreciation) of investments. The net change in unrealized appreciation (depreciation) in the value of investments is determined by the change in fair value from the beginning of the year to the end of the year or change in fair value from date of the purchase to the end of the year.

Purchases and sales are recorded on a trade date basis. Interest income and dividends are recorded when received.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2022, and 2021, no allowance for credit losses has been recorded.

If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document.

The fair value disclosures for financial instruments are not required for participant loans. Also, participant loans continue to be considered as investments for Form 5500 reporting purposes.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Officers or employees of the Company perform certain administrative functions for the Plan. However, such officers and employees receive no compensation from the Plan. Part of the Plan's administrative expenses paid by the Company are excluded from these financial statements.

3. Information Certified by Trustees

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Prudential Trust Company (the trustee of the Plan), and Prudential Insurance Company of America as agent of the trustee of the Plan.

	<u>2022</u>	<u>2021</u>
Investments:		
Investments at contract value	\$ 24,814,264	\$ 24,951,093
Investments at fair value	<u>56,405,083</u>	<u>70,528,685</u>
Total investments	<u>\$ 81,219,347</u>	<u>\$ 95,479,778</u>
Notes receivable from participants	<u>\$ 1,502,567</u>	<u>\$ 1,433,890</u>
Interest on investments at contract value	<u>\$ 454,866</u>	
Dividends on investments at fair value	<u>\$ 666,255</u>	
Interest income on notes receivable from participants	<u>\$ 65,075</u>	

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

4. Guaranteed Investment Contracts with Insurance Company

The Plan investments include one benefit-responsive guaranteed investment contract (Guaranteed Income Fund). The Guaranteed Income Fund ("GIF") is a stable value fund issued by Prudential Retirement Insurance and Annuity Company and managed Prudential Insurance Company of America, which are affiliated entities of Prudential Trust Company (Prudential). The contributions in the GIF are maintained in Prudential's general account. The GIF accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed investment contracts meet the criteria to be considered fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. The guaranteed investment contracts are presented on the face of the statement of net assets available for benefits at contract value. At December 31, 2022 and 2021, the contract value of the GIF stable value fund was \$24,814,264 and \$24,951,093, respectively.

Contract value, as reported to the Plan by the issuers represents contributions made under the contracts, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero percent. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events limit the Plan's ability to transact at contract value with the issuers. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the Employee Retirement Income Security Act of 1974 (ERISA). Furthermore, certain events would allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring. The guaranteed investment contract does not permit the issuer to terminate the agreement prior to the scheduled maturity date.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

5. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures* establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three broad levels of the fair value hierarchy are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.
- Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1).
- Level 3 inputs consist of unobservable inputs and have the lowest priority.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs are not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs are not available. There are no plan assets requiring the use of Level 3 inputs for the periods presented.

Level 1 Fair Value Measurements

Mutual funds - The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Plan are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded.

Money market funds – Unallocated cash is temporarily invested in money market funds which are valued using pricing models that maximize the use of observable inputs for similar securities. Although a money market fund seeks to preserve the value of \$1 of investment at \$1 per share (unit), it is possible to lose money by investing in such a fund.

The following table set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2022 and 2021:

	Fair Value Measurements Using:	
	<u>Quoted Prices in Active</u>	
	<u>Markets for Identical Assets</u>	<u>Fair Value</u>
	<u>(Level 1)</u>	
December 31, 2022:		
Mutual funds	\$ 56,405,083	\$ 56,405,083
Unallocated cash in money market fund	-	-
Investments, at fair value	<u>\$ 56,405,083</u>	<u>\$ 56,405,083</u>
December 31, 2021:		
Mutual funds	\$ 70,528,417	\$ 70,528,417
Unallocated cash in money market fund	268	268
Investments, at fair value	<u>\$ 70,528,685</u>	<u>\$ 70,528,685</u>

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2022 are reported in net depreciation in value of investments.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

6. Party-In-Interest Transactions

Certain Plan investments are money market funds and shares of mutual funds managed by Prudential Trust Company (Prudential). Other Plan investments are units of stable value funds sponsored by Prudential Retirement Insurance and Annuity Company and managed Prudential Insurance Company of America, which are affiliated entities of Prudential. Prudential is the contract administrator and trustee of the Plan as defined by the Plan. Therefore, transactions with Prudential qualify as party-in-interest transactions. Fees paid by the Plan for contract administration services are included in administrative expenses on the accompanying statement of changes in net assets available for benefits. During 2022, fees directly paid by the Plan for contract administration services provided by Prudential totaled \$6,910.

Prudential uses Wells Fargo Clearing Services, LLC ("WFCS"), a subservice organization, to provide brokerage services (investment management services) to the Plan. Therefore, transactions with WFCS qualify as party-in-interest transactions. Fees paid by the Plan for investment management services are included in investment income on the accompanying statement of changes in net assets available for benefits, as they are paid through revenue sharing rather than a direct payment arrangement. During 2022, indirect fees paid by the Plan for investment management services provided by WFCS totaled \$125,332.

Payne & Smith, LLC is the Plan's independent public accountant ("IPA") as defined by the Plan. Therefore, the IPA is a party-in-interest under ERISA and transactions with the IPA qualify as party-in-interest transactions. During 2022, fees paid by the Plan for audit and nonattest services provided by the IPA were paid by the Company in full and are therefore, neither disclosed nor included or accrued on the accompanying financial statements.

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

7. Risks and Uncertainties

The Plan provides for various investment options in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with investment securities, and the level of uncertainty related to changes in the value of these securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and changes in net assets available for benefits.

The following table presents concentrations of investments that represented 5% or more of the Plan's net assets at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Investments at fair value:		
Bond Fund of America	\$ 7,034,396	\$ 7,850,739
Columbia Seligman Commun & Info. R5	***	5,061,086
Euro Pacific Growth Fund	6,338,738	7,839,554
Growth Fund of America	10,346,120	14,044,590
Invesco Comstock Y	12,038,461	13,217,621
Investments at contract value:		
Guaranteed Income Fund	24,814,264	24,951,093

*** Investment concentration did not represent 5% or more of the Plan assets as of the year end presented.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

8. Tax Status

The Plan has adopted a prototype non-standardized profit-sharing plan with CODA sponsored by Prudential Insurance Company of America (Prudential). The prototype plan received an opinion letter, dated April 29, 2014, from the Internal Revenue Service ("IRS") as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by the Plan.

Accounting principles generally accepted in the United States of America require the Plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress.

9. Plan Termination

While there is no intention to do so, the employer reserves the right to terminate the Plan. In the event of termination of the Plan, the participants become fully vested in their employer contribution balances, and the net assets of the Plan will be distributed to the participants of the Plan in accordance with the provisions of ERISA.

10. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500 at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per the financial statements	\$ 84,078,252	\$ 97,914,593
Amounts excluded from Form 5500:		
Employer contributions receivable	(1,278,521)	(984,146)
Participants' contributions receivable	<u>(77,817)</u>	<u>(16,779)</u>
Total exclusions	<u>(1,356,338)</u>	<u>(1,000,925)</u>
Net assets available for benefits per Schedule H of Form 5500	<u>\$ 82,721,914</u>	<u>\$ 96,913,668</u>

The following is a reconciliation of statement of changes in net assets available for benefits per the financial statements for the year ended December 31, 2022 to Schedule H of Form 5500:

Net decrease in net assets available for benefits per the financial statements	\$ (13,836,341)
Amounts excluded from Form 5500:	
Change in employer contributions receivable	(294,375)
Change in participants' contributions receivable	<u>(61,038)</u>
Total exclusions	<u>(355,413)</u>
Net income per Schedule H of Form 5500	<u>\$ (14,191,754)</u>

SUPPLEMENTAL SCHEDULE

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2022

EIN: 75-0358895

PN: 002

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor or similar party	Description of investment	Units (Shares)	Cost	Current Value
Investments at contract value:				
	Prudential Retirement Insurance and Annuity Company			
*	Guaranteed Income Fund	Stable value fund	906,222.7564	** \$ 24,814,264
Investments at fair value:				
	American Balanced Fund	Mutual fund	123,539.3626	** \$ 3,552,992
	Bond Fund of America	Mutual fund	618,136.7211	** 7,034,396
	Euro Pacific Growth Fund	Mutual fund	129,282.8504	** 6,338,738
	Growth Fund of America R3	Mutual fund	215,051.3402	** 10,346,120
	Hartford Small Cap Growth R3	Mutual fund	59,773.4083	** 2,069,356
	Invesco Comstock Y	Mutual fund	454,968.2865	** 12,038,461
	JPM Small Cap Value Select	Mutual fund	119,447.2146	** 2,887,039
*	Prudential Jennison Mid Cap Growth Z	Mutual fund	193,843.8621	** 3,324,423
*	Prudential QMA Stock Index Z	Mutual fund	60,725.2811	** 2,023,366
	Columbia Seligman Commun & Info. R5	Mutual fund	33,169.3453	** 3,162,697
*	Wells Fargo SPC Mid Cap	Mutual fund	81,792.4509	** 3,627,495
	Total investments at fair value			56,405,083
	Total investments			\$ 81,219,347
Notes receivable from participants:				
	Participant loans	Interest rates range from 4.25% to 8.75%, various maturity dates through September 2035		1,502,567
	TOTAL ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2022			\$ 82,721,914

* Denotes party-in-interest

** Cost not required for participant-directed investments

See accompanying independent auditor's report and notes thereto.

***AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN***

**Financial Statements and
Supplemental Schedule**

December 31, 2022 and 2021

(With Independent Auditor's Report Thereon)

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Independent Auditor's Report

The Plan Administrator
Austin Bank, Texas, N.A. Employees' Profit Sharing Plan
Jacksonville, Texas

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Austin Bank, Texas, N.A. Employees' Profit Sharing Plan 401(k) Plan ("the Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the Financial Statements

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting as described in Note 2.
- The information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the Financial Statements

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with modified cash basis of accounting as described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters - Supplemental Schedule Required by ERISA

The supplemental Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by qualified institutions agree to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

Payne & Smith, LLC

July 28, 2023

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Statements of Net Assets Available for Benefits

December 31, 2022 and 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Investments:		
Investments at contract value	\$ 24,814,264	\$ 24,951,093
Investments at fair value	<u>56,405,083</u>	<u>70,528,685</u>
Total investments	<u>81,219,347</u>	<u>95,479,778</u>
Receivables:		
Employer contributions	1,278,521	984,146
Participants' contributions	77,817	16,779
Notes receivable from participants	<u>1,502,567</u>	<u>1,433,890</u>
Total receivables	<u>2,858,905</u>	<u>2,434,815</u>
Total assets	<u>84,078,252</u>	<u>97,914,593</u>
<u>LIABILITIES</u>	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 84,078,252</u>	<u>\$ 97,914,593</u>

The accompanying notes are an integral part of these financial statements.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2022

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Interest income on notes receivable from participants	\$ 65,075
Contributions:	
Employer	2,672,732
Participants'	2,594,045
Rollover	<u>213,480</u>
Total contributions	<u>5,480,257</u>
Total additions	<u>5,545,332</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Investment (income) loss:	
Net depreciation in value of investments	12,937,496
Interest on investments at contract value	(454,866)
Dividends on investments at fair value	(666,255)
Investment management service fees	<u>125,332</u>
Total investment loss	11,941,707
Distributions to participants	7,433,056
Administrative expenses	<u>6,910</u>
Total deductions	<u>19,381,673</u>

NET DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS	(13,836,341)
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NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<u>97,914,593</u>
End of year	<u><u>\$ 84,078,252</u></u>

The accompanying notes are an integral part of these financial statements.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Notes to Financial Statements

December 31, 2022 and 2021

1. Description of the Plan

The following description of the Austin Bank, Texas, N.A. Employees' Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan whereby eligible employees of Austin Bank, Texas, N.A. or any affiliate who has adopted the Plan (collectively referred to as Company or employer) are permitted to make contributions that are tax deferred under section 401(k) of the Internal Revenue Code (the Code). The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and was most recently amended effective November 1, 2022 to change certain eligibility and participant contribution requirements, and to permit Roth contributions. The Plan is overseen by the Company's Profit-Sharing Plan Committee which reports to the Company's board of trustees and is administered by a Plan Administrator. The Profit-Sharing Plan Committee determines the appropriateness of the Plan's investments and monitors investment performance.

Eligibility

Prior to November 1, 2022, employees became eligible for participation on the entry date next following the completion of one year of service, as defined by the Plan. Effective November 1, 2022, eligible employees may enter the Plan on the first day of employment.

Contributions

Participants may contribute between 1% and 50% of their pretax annual compensation allowed by law, subject to certain maximum limitations imposed by the Internal Revenue Code ("the Code"), as defined in the Plan. Participants may elect to make Pre-Tax 401(k) deferrals or Roth 401(k) deferrals. Prior to November 1, 2022, participants could only make Pre-Tax 401(k) deferrals. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

Participants who are eligible to make salary deferral contributions under the Plan and have attained age 50 before the close of the plan year may make catch-up contributions in accordance with, and subject to the maximum limitation imposed by the Code.

The Plan includes an automatic deferral feature whereby the Employer automatically withholds 4% of a participant's compensation each payroll period and contribute that amount to the Plan as a pre-tax 401(k) deferral unless the Employer amends the Plan, or the participant opts out or enters into a Salary Reduction Agreement. The automatic escalation provisions (AEP) apply to participants who have completed a Salary Reduction Agreement to defer at least 1% of compensation, unless and until they make a contrary election after the AEP's effective date. A participant's pre-tax elective deferral withheld under the AEP rules will increase by 1% each plan year until the amount reaches 15% of compensation unless and until a participant makes a contrary election after the AEP's effective date. The increase in the amount automatically withheld from a participant's pay will be effective on April 1st following the date that the participant executes a Salary Reduction Agreement, or, if sooner, the effective date of the AEP.

The Plan is a "safe harbor plan." Under these provisions, the Employer will make a safe harbor matching contribution equal to 100% of a participant's elective deferrals that do not exceed 4% of the participant's eligible compensation.

The Employer may also make a discretionary additional matching contribution (profit sharing contribution) and discretionary nonelective contributions to participants who have completed one year of service or 1,000 hours of service as defined by the Plan. A participant's share of nonelective contributions is determined using a formula specified in the Plan. Employer contributions for the current year paid to the Plan during the following year are accrued as receivables on the statement of net assets available for benefits. At December 31, 2022 and 2021, employer contribution receivables were comprised of accrued profit-sharing contributions in the amounts of \$1,278,521 and \$984,146, respectively.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Vesting

Participants are immediately fully vested in their salary deferral, rollover and safe harbor contributions plus actual earnings (losses) thereon. Vesting in the Company's discretionary match contributions and Company's profit-sharing contributions plus related earnings (losses) thereon is determined by the years of service based on the following vesting schedule:

<u>Years of Service</u>	<u>Vesting</u>
Less than 3	0%
3	100%

In the event of death, disability or attainment of the normal retirement age while employed by the Company, participants become 100% vested in their portion of employer contributions.

Participant Accounts

Each participant's account is credited with the participant's contributions and discretionary contributions, and an allocation of plan earnings. Each participant's account is also charged for distributions and certain direct expenses. Allocations are based on participant account balances, as defined. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account.

Notes receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest (prime rate in effect plus 1%) at rates ranging from 4.25% to 8.75%, which are commensurate with local prevailing rates as determined periodically by the Plan. Principal and interest are paid ratably through monthly payroll deductions. A participant can only have one loan currently outstanding, from the Plan.

Investment Options

Participants must direct contributions to selected investments as made available and determined by the Plan Administrator. Participants may change their investment options at any time throughout the year via internet or direct phone access to Prudential's plan sponsor web site.

The Plan currently offers various mutual funds and two common collective stable value funds as investment options for participants. The Plan's Qualified Default Investment Alternative ("QDIA") for those participants, including beneficiaries, who have not provided investment directions, is the Guaranteed Income Fund ("GIF") within the GoalMaker portfolio model funds. Contributions are automatically invested in QDIA funds until changed by the participant.

Forfeitures

Forfeitures represent the portion of non-vested benefit payments remaining in the Plan for all terminated employees. Forfeitures may be used to reduce discretionary additional employer matching contributions or pay Plan expenses. During 2022 and 2021, newly forfeited account balances totaled \$31,160 and \$33,987, respectively. During 2022 and 2021, the Plan used forfeitures in the amount of \$18,476 and zero, respectively, to reduce employer matching contributions. During 2022 and 2021, the Plan used forfeitures in the amount of \$1,000 and \$3,576, respectively, to offset administrative expenses of the Plan. During 2022 and 2021, the earnings credited to the forfeitures account amounted to \$1,418 and \$664, respectively. At December 31, 2022 and 2021, the balance of forfeited nonvested accounts totaled \$74,389 and \$61,287, respectively.

Payment of Benefits

Benefits under the Plan will generally be made out in cash only. Distributions to participants with vested account balances less than \$5,000 are made in a single lump-sum payment equal to the value of the participant's vested interest in their account. In determining whether the vested account balance exceeds the \$5,000 threshold, "rollover" contributions (and any earnings allocable to "rollover" contributions) will be considered. Participants with vested account balances in excess of \$5,000, may elect to receive distributions in the form of a single lump-sum payment, partial withdrawals, or installments over a period of not more than the assumed life expectancy of the beneficiary and/or participant. To comply with certain requirements of the SECURE Act of 2019 and IRS regulations, the Plan requires participants to take their first required minimum distribution in the year they reach age 72.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

2. Summary of Significant Accounting Policies

Date of Management's Review and Subsequent Events

The Plan has evaluated events and transactions for potential recognition or disclosure through July 28, 2023, which is the date the financial statements were available to be issued.

Effective April 1, 2022, Empower Retirement, LLC officially acquired the full-service retirement plan recordkeeping and administrative business of Prudential Financial, Inc. (Prudential), inclusive of Prudential's defined contribution, qualified rollover IRA business, Prudential's stable value and separate accounts investment products and platforms. Prudential is the parent company of Prudential Trust Company (the trustee of the Plan), and Prudential Insurance Company of America, an agent for the trustee of the Plan.

Basis of Accounting

The financial statements of the Plan are presented on the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Therefore, interest and dividend income on a significant portion of investments was not accrued as of December 31, 2022 and 2021.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts (FBRICS). Contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Therefore, the statement of changes in net assets available for benefits has been prepared on a contract value basis.

Use of Estimates

The preparation of financial statements in conformity with a basis of accounting other than generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value, except for FBRICS, which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Profit-Sharing Plan Committee determines the Plan's valuation policies. See Note 5 for discussion of fair value measurements.

The net depreciation in value of investments consists of the realized gains and losses on investments bought and sold as well as held during the year and unrealized appreciation (depreciation) of investments. The net change in unrealized appreciation (depreciation) in the value of investments is determined by the change in fair value from the beginning of the year to the end of the year or change in fair value from date of the purchase to the end of the year.

Purchases and sales are recorded on a trade date basis. Interest income and dividends are recorded when received.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2022, and 2021, no allowance for credit losses has been recorded.

If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document.

The fair value disclosures for financial instruments are not required for participant loans. Also, participant loans continue to be considered as investments for Form 5500 reporting purposes.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Officers or employees of the Company perform certain administrative functions for the Plan. However, such officers and employees receive no compensation from the Plan. Part of the Plan's administrative expenses paid by the Company are excluded from these financial statements.

3. Information Certified by Trustees

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Prudential Trust Company (the trustee of the Plan), and Prudential Insurance Company of America as agent of the trustee of the Plan.

	<u>2022</u>	<u>2021</u>
Investments:		
Investments at contract value	\$ 24,814,264	\$ 24,951,093
Investments at fair value	<u>56,405,083</u>	<u>70,528,685</u>
Total investments	<u>\$ 81,219,347</u>	<u>\$ 95,479,778</u>
Notes receivable from participants	<u>\$ 1,502,567</u>	<u>\$ 1,433,890</u>
Interest on investments at contract value	<u>\$ 454,866</u>	
Dividends on investments at fair value	<u>\$ 666,255</u>	
Interest income on notes receivable from participants	<u>\$ 65,075</u>	

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

4. Guaranteed Investment Contracts with Insurance Company

The Plan investments include one benefit-responsive guaranteed investment contract (Guaranteed Income Fund). The Guaranteed Income Fund ("GIF") is a stable value fund issued by Prudential Retirement Insurance and Annuity Company and managed Prudential Insurance Company of America, which are affiliated entities of Prudential Trust Company (Prudential). The contributions in the GIF are maintained in Prudential's general account. The GIF accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed investment contracts meet the criteria to be considered fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. The guaranteed investment contracts are presented on the face of the statement of net assets available for benefits at contract value. At December 31, 2022 and 2021, the contract value of the GIF stable value fund was \$24,814,264 and \$24,951,093, respectively.

Contract value, as reported to the Plan by the issuers represents contributions made under the contracts, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero percent. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events limit the Plan's ability to transact at contract value with the issuers. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the Employee Retirement Income Security Act of 1974 (ERISA). Furthermore, certain events would allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring. The guaranteed investment contract does not permit the issuer to terminate the agreement prior to the scheduled maturity date.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

5. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures* establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three broad levels of the fair value hierarchy are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.
- Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1).
- Level 3 inputs consist of unobservable inputs and have the lowest priority.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs are not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs are not available. There are no plan assets requiring the use of Level 3 inputs for the periods presented.

Level 1 Fair Value Measurements

Mutual funds - The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Plan are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded.

Money market funds – Unallocated cash is temporarily invested in money market funds which are valued using pricing models that maximize the use of observable inputs for similar securities. Although a money market fund seeks to preserve the value of \$1 of investment at \$1 per share (unit), it is possible to lose money by investing in such a fund.

The following table set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2022 and 2021:

	Fair Value Measurements Using:	
	<u>Quoted Prices in Active</u>	
	<u>Markets for Identical Assets</u>	<u>Fair Value</u>
	<u>(Level 1)</u>	
December 31, 2022:		
Mutual funds	\$ 56,405,083	\$ 56,405,083
Unallocated cash in money market fund	-	-
Investments, at fair value	<u>\$ 56,405,083</u>	<u>\$ 56,405,083</u>
December 31, 2021:		
Mutual funds	\$ 70,528,417	\$ 70,528,417
Unallocated cash in money market fund	268	268
Investments, at fair value	<u>\$ 70,528,685</u>	<u>\$ 70,528,685</u>

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2022 are reported in net depreciation in value of investments.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

6. Party-In-Interest Transactions

Certain Plan investments are money market funds and shares of mutual funds managed by Prudential Trust Company (Prudential). Other Plan investments are units of stable value funds sponsored by Prudential Retirement Insurance and Annuity Company and managed Prudential Insurance Company of America, which are affiliated entities of Prudential. Prudential is the contract administrator and trustee of the Plan as defined by the Plan. Therefore, transactions with Prudential qualify as party-in-interest transactions. Fees paid by the Plan for contract administration services are included in administrative expenses on the accompanying statement of changes in net assets available for benefits. During 2022, fees directly paid by the Plan for contract administration services provided by Prudential totaled \$6,910.

Prudential uses Wells Fargo Clearing Services, LLC ("WFCS"), a subservice organization, to provide brokerage services (investment management services) to the Plan. Therefore, transactions with WFCS qualify as party-in-interest transactions. Fees paid by the Plan for investment management services are included in investment income on the accompanying statement of changes in net assets available for benefits, as they are paid through revenue sharing rather than a direct payment arrangement. During 2022, indirect fees paid by the Plan for investment management services provided by WFCS totaled \$125,332.

Payne & Smith, LLC is the Plan's independent public accountant ("IPA") as defined by the Plan. Therefore, the IPA is a party-in-interest under ERISA and transactions with the IPA qualify as party-in-interest transactions. During 2022, fees paid by the Plan for audit and nonattest services provided by the IPA were paid by the Company in full and are therefore, neither disclosed nor included or accrued on the accompanying financial statements.

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

7. Risks and Uncertainties

The Plan provides for various investment options in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with investment securities, and the level of uncertainty related to changes in the value of these securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and changes in net assets available for benefits.

The following table presents concentrations of investments that represented 5% or more of the Plan's net assets at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Investments at fair value:		
Bond Fund of America	\$ 7,034,396	\$ 7,850,739
Columbia Seligman Commun & Info. R5	***	5,061,086
Euro Pacific Growth Fund	6,338,738	7,839,554
Growth Fund of America	10,346,120	14,044,590
Invesco Comstock Y	12,038,461	13,217,621
Investments at contract value:		
Guaranteed Income Fund	24,814,264	24,951,093

*** Investment concentration did not represent 5% or more of the Plan assets as of the year end presented.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

8. Tax Status

The Plan has adopted a prototype non-standardized profit-sharing plan with CODA sponsored by Prudential Insurance Company of America (Prudential). The prototype plan received an opinion letter, dated April 29, 2014, from the Internal Revenue Service ("IRS") as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by the Plan.

Accounting principles generally accepted in the United States of America require the Plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress.

9. Plan Termination

While there is no intention to do so, the employer reserves the right to terminate the Plan. In the event of termination of the Plan, the participants become fully vested in their employer contribution balances, and the net assets of the Plan will be distributed to the participants of the Plan in accordance with the provisions of ERISA.

10. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500 at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per the financial statements	\$ 84,078,252	\$ 97,914,593
Amounts excluded from Form 5500:		
Employer contributions receivable	(1,278,521)	(984,146)
Participants' contributions receivable	<u>(77,817)</u>	<u>(16,779)</u>
Total exclusions	<u>(1,356,338)</u>	<u>(1,000,925)</u>
Net assets available for benefits per Schedule H of Form 5500	<u>\$ 82,721,914</u>	<u>\$ 96,913,668</u>

The following is a reconciliation of statement of changes in net assets available for benefits per the financial statements for the year ended December 31, 2022 to Schedule H of Form 5500:

Net decrease in net assets available for benefits per the financial statements	\$ (13,836,341)
Amounts excluded from Form 5500:	
Change in employer contributions receivable	(294,375)
Change in participants' contributions receivable	<u>(61,038)</u>
Total exclusions	<u>(355,413)</u>
Net income per Schedule H of Form 5500	<u>\$ (14,191,754)</u>

SUPPLEMENTAL SCHEDULE

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2022

EIN: 75-0358895

PN: 002

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor or similar party	Description of investment	Units (Shares)	Cost	Current Value
Investments at contract value:				
	Prudential Retirement Insurance and Annuity Company			
*	Guaranteed Income Fund	Stable value fund	906,222.7564	** \$ 24,814,264
Investments at fair value:				
	American Balanced Fund	Mutual fund	123,539.3626	** \$ 3,552,992
	Bond Fund of America	Mutual fund	618,136.7211	** 7,034,396
	Euro Pacific Growth Fund	Mutual fund	129,282.8504	** 6,338,738
	Growth Fund of America R3	Mutual fund	215,051.3402	** 10,346,120
	Hartford Small Cap Growth R3	Mutual fund	59,773.4083	** 2,069,356
	Invesco Comstock Y	Mutual fund	454,968.2865	** 12,038,461
	JPM Small Cap Value Select	Mutual fund	119,447.2146	** 2,887,039
*	Prudential Jennison Mid Cap Growth Z	Mutual fund	193,843.8621	** 3,324,423
*	Prudential QMA Stock Index Z	Mutual fund	60,725.2811	** 2,023,366
	Columbia Seligman Commun & Info. R5	Mutual fund	33,169.3453	** 3,162,697
*	Wells Fargo SPC Mid Cap	Mutual fund	81,792.4509	** 3,627,495
	Total investments at fair value			56,405,083
	Total investments			\$ 81,219,347
Notes receivable from participants:				
	Participant loans	Interest rates range from 4.25% to 8.75%, various maturity dates through September 2035		1,502,567
	TOTAL ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2022			\$ 82,721,914

* Denotes party-in-interest

** Cost not required for participant-directed investments

See accompanying independent auditor's report and notes thereto.

***AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN***

**Financial Statements and
Supplemental Schedule**

December 31, 2022 and 2021

(With Independent Auditor's Report Thereon)

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Independent Auditor's Report

The Plan Administrator
Austin Bank, Texas, N.A. Employees' Profit Sharing Plan
Jacksonville, Texas

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Austin Bank, Texas, N.A. Employees' Profit Sharing Plan 401(k) Plan ("the Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the Financial Statements

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting as described in Note 2.
- The information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the Financial Statements

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with modified cash basis of accounting as described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters - Supplemental Schedule Required by ERISA

The supplemental Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by qualified institutions agree to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

Payne & Smith, LLC

July 28, 2023

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Statements of Net Assets Available for Benefits

December 31, 2022 and 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Investments:		
Investments at contract value	\$ 24,814,264	\$ 24,951,093
Investments at fair value	<u>56,405,083</u>	<u>70,528,685</u>
Total investments	<u>81,219,347</u>	<u>95,479,778</u>
Receivables:		
Employer contributions	1,278,521	984,146
Participants' contributions	77,817	16,779
Notes receivable from participants	<u>1,502,567</u>	<u>1,433,890</u>
Total receivables	<u>2,858,905</u>	<u>2,434,815</u>
Total assets	<u>84,078,252</u>	<u>97,914,593</u>
<u>LIABILITIES</u>	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 84,078,252</u>	<u>\$ 97,914,593</u>

The accompanying notes are an integral part of these financial statements.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2022

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Interest income on notes receivable from participants	\$ 65,075
Contributions:	
Employer	2,672,732
Participants'	2,594,045
Rollover	<u>213,480</u>
Total contributions	<u>5,480,257</u>
Total additions	<u>5,545,332</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Investment (income) loss:	
Net depreciation in value of investments	12,937,496
Interest on investments at contract value	(454,866)
Dividends on investments at fair value	(666,255)
Investment management service fees	<u>125,332</u>
Total investment loss	11,941,707
Distributions to participants	7,433,056
Administrative expenses	<u>6,910</u>
Total deductions	<u>19,381,673</u>

NET DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS	(13,836,341)
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NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<u>97,914,593</u>
End of year	<u><u>\$ 84,078,252</u></u>

The accompanying notes are an integral part of these financial statements.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Notes to Financial Statements

December 31, 2022 and 2021

1. Description of the Plan

The following description of the Austin Bank, Texas, N.A. Employees' Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan whereby eligible employees of Austin Bank, Texas, N.A. or any affiliate who has adopted the Plan (collectively referred to as Company or employer) are permitted to make contributions that are tax deferred under section 401(k) of the Internal Revenue Code (the Code). The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and was most recently amended effective November 1, 2022 to change certain eligibility and participant contribution requirements, and to permit Roth contributions. The Plan is overseen by the Company's Profit-Sharing Plan Committee which reports to the Company's board of trustees and is administered by a Plan Administrator. The Profit-Sharing Plan Committee determines the appropriateness of the Plan's investments and monitors investment performance.

Eligibility

Prior to November 1, 2022, employees became eligible for participation on the entry date next following the completion of one year of service, as defined by the Plan. Effective November 1, 2022, eligible employees may enter the Plan on the first day of employment.

Contributions

Participants may contribute between 1% and 50% of their pretax annual compensation allowed by law, subject to certain maximum limitations imposed by the Internal Revenue Code ("the Code"), as defined in the Plan. Participants may elect to make Pre-Tax 401(k) deferrals or Roth 401(k) deferrals. Prior to November 1, 2022, participants could only make Pre-Tax 401(k) deferrals. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

Participants who are eligible to make salary deferral contributions under the Plan and have attained age 50 before the close of the plan year may make catch-up contributions in accordance with, and subject to the maximum limitation imposed by the Code.

The Plan includes an automatic deferral feature whereby the Employer automatically withholds 4% of a participant's compensation each payroll period and contribute that amount to the Plan as a pre-tax 401(k) deferral unless the Employer amends the Plan, or the participant opts out or enters into a Salary Reduction Agreement. The automatic escalation provisions (AEP) apply to participants who have completed a Salary Reduction Agreement to defer at least 1% of compensation, unless and until they make a contrary election after the AEP's effective date. A participant's pre-tax elective deferral withheld under the AEP rules will increase by 1% each plan year until the amount reaches 15% of compensation unless and until a participant makes a contrary election after the AEP's effective date. The increase in the amount automatically withheld from a participant's pay will be effective on April 1st following the date that the participant executes a Salary Reduction Agreement, or, if sooner, the effective date of the AEP.

The Plan is a "safe harbor plan." Under these provisions, the Employer will make a safe harbor matching contribution equal to 100% of a participant's elective deferrals that do not exceed 4% of the participant's eligible compensation.

The Employer may also make a discretionary additional matching contribution (profit sharing contribution) and discretionary nonelective contributions to participants who have completed one year of service or 1,000 hours of service as defined by the Plan. A participant's share of nonelective contributions is determined using a formula specified in the Plan. Employer contributions for the current year paid to the Plan during the following year are accrued as receivables on the statement of net assets available for benefits. At December 31, 2022 and 2021, employer contribution receivables were comprised of accrued profit-sharing contributions in the amounts of \$1,278,521 and \$984,146, respectively.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Vesting

Participants are immediately fully vested in their salary deferral, rollover and safe harbor contributions plus actual earnings (losses) thereon. Vesting in the Company's discretionary match contributions and Company's profit-sharing contributions plus related earnings (losses) thereon is determined by the years of service based on the following vesting schedule:

<u>Years of Service</u>	<u>Vesting</u>
Less than 3	0%
3	100%

In the event of death, disability or attainment of the normal retirement age while employed by the Company, participants become 100% vested in their portion of employer contributions.

Participant Accounts

Each participant's account is credited with the participant's contributions and discretionary contributions, and an allocation of plan earnings. Each participant's account is also charged for distributions and certain direct expenses. Allocations are based on participant account balances, as defined. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account.

Notes receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest (prime rate in effect plus 1%) at rates ranging from 4.25% to 8.75%, which are commensurate with local prevailing rates as determined periodically by the Plan. Principal and interest are paid ratably through monthly payroll deductions. A participant can only have one loan currently outstanding, from the Plan.

Investment Options

Participants must direct contributions to selected investments as made available and determined by the Plan Administrator. Participants may change their investment options at any time throughout the year via internet or direct phone access to Prudential's plan sponsor web site.

The Plan currently offers various mutual funds and two common collective stable value funds as investment options for participants. The Plan's Qualified Default Investment Alternative ("QDIA") for those participants, including beneficiaries, who have not provided investment directions, is the Guaranteed Income Fund ("GIF") within the GoalMaker portfolio model funds. Contributions are automatically invested in QDIA funds until changed by the participant.

Forfeitures

Forfeitures represent the portion of non-vested benefit payments remaining in the Plan for all terminated employees. Forfeitures may be used to reduce discretionary additional employer matching contributions or pay Plan expenses. During 2022 and 2021, newly forfeited account balances totaled \$31,160 and \$33,987, respectively. During 2022 and 2021, the Plan used forfeitures in the amount of \$18,476 and zero, respectively, to reduce employer matching contributions. During 2022 and 2021, the Plan used forfeitures in the amount of \$1,000 and \$3,576, respectively, to offset administrative expenses of the Plan. During 2022 and 2021, the earnings credited to the forfeitures account amounted to \$1,418 and \$664, respectively. At December 31, 2022 and 2021, the balance of forfeited nonvested accounts totaled \$74,389 and \$61,287, respectively.

Payment of Benefits

Benefits under the Plan will generally be made out in cash only. Distributions to participants with vested account balances less than \$5,000 are made in a single lump-sum payment equal to the value of the participant's vested interest in their account. In determining whether the vested account balance exceeds the \$5,000 threshold, "rollover" contributions (and any earnings allocable to "rollover" contributions) will be considered. Participants with vested account balances in excess of \$5,000, may elect to receive distributions in the form of a single lump-sum payment, partial withdrawals, or installments over a period of not more than the assumed life expectancy of the beneficiary and/or participant. To comply with certain requirements of the SECURE Act of 2019 and IRS regulations, the Plan requires participants to take their first required minimum distribution in the year they reach age 72.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

2. Summary of Significant Accounting Policies

Date of Management's Review and Subsequent Events

The Plan has evaluated events and transactions for potential recognition or disclosure through July 28, 2023, which is the date the financial statements were available to be issued.

Effective April 1, 2022, Empower Retirement, LLC officially acquired the full-service retirement plan recordkeeping and administrative business of Prudential Financial, Inc. (Prudential), inclusive of Prudential's defined contribution, qualified rollover IRA business, Prudential's stable value and separate accounts investment products and platforms. Prudential is the parent company of Prudential Trust Company (the trustee of the Plan), and Prudential Insurance Company of America, an agent for the trustee of the Plan.

Basis of Accounting

The financial statements of the Plan are presented on the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Therefore, interest and dividend income on a significant portion of investments was not accrued as of December 31, 2022 and 2021.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts (FBRICS). Contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Therefore, the statement of changes in net assets available for benefits has been prepared on a contract value basis.

Use of Estimates

The preparation of financial statements in conformity with a basis of accounting other than generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value, except for FBRICS, which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Profit-Sharing Plan Committee determines the Plan's valuation policies. See Note 5 for discussion of fair value measurements.

The net depreciation in value of investments consists of the realized gains and losses on investments bought and sold as well as held during the year and unrealized appreciation (depreciation) of investments. The net change in unrealized appreciation (depreciation) in the value of investments is determined by the change in fair value from the beginning of the year to the end of the year or change in fair value from date of the purchase to the end of the year.

Purchases and sales are recorded on a trade date basis. Interest income and dividends are recorded when received.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2022, and 2021, no allowance for credit losses has been recorded.

If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document.

The fair value disclosures for financial instruments are not required for participant loans. Also, participant loans continue to be considered as investments for Form 5500 reporting purposes.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Officers or employees of the Company perform certain administrative functions for the Plan. However, such officers and employees receive no compensation from the Plan. Part of the Plan's administrative expenses paid by the Company are excluded from these financial statements.

3. Information Certified by Trustees

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Prudential Trust Company (the trustee of the Plan), and Prudential Insurance Company of America as agent of the trustee of the Plan.

	<u>2022</u>	<u>2021</u>
Investments:		
Investments at contract value	\$ 24,814,264	\$ 24,951,093
Investments at fair value	<u>56,405,083</u>	<u>70,528,685</u>
Total investments	<u>\$ 81,219,347</u>	<u>\$ 95,479,778</u>
Notes receivable from participants	<u>\$ 1,502,567</u>	<u>\$ 1,433,890</u>
Interest on investments at contract value	<u>\$ 454,866</u>	
Dividends on investments at fair value	<u>\$ 666,255</u>	
Interest income on notes receivable from participants	<u>\$ 65,075</u>	

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

4. Guaranteed Investment Contracts with Insurance Company

The Plan investments include one benefit-responsive guaranteed investment contract (Guaranteed Income Fund). The Guaranteed Income Fund ("GIF") is a stable value fund issued by Prudential Retirement Insurance and Annuity Company and managed Prudential Insurance Company of America, which are affiliated entities of Prudential Trust Company (Prudential). The contributions in the GIF are maintained in Prudential's general account. The GIF accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed investment contracts meet the criteria to be considered fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. The guaranteed investment contracts are presented on the face of the statement of net assets available for benefits at contract value. At December 31, 2022 and 2021, the contract value of the GIF stable value fund was \$24,814,264 and \$24,951,093, respectively.

Contract value, as reported to the Plan by the issuers represents contributions made under the contracts, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero percent. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events limit the Plan's ability to transact at contract value with the issuers. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the Employee Retirement Income Security Act of 1974 (ERISA). Furthermore, certain events would allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring. The guaranteed investment contract does not permit the issuer to terminate the agreement prior to the scheduled maturity date.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

5. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures* establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three broad levels of the fair value hierarchy are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.
- Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1).
- Level 3 inputs consist of unobservable inputs and have the lowest priority.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs are not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs are not available. There are no plan assets requiring the use of Level 3 inputs for the periods presented.

Level 1 Fair Value Measurements

Mutual funds - The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Plan are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded.

Money market funds – Unallocated cash is temporarily invested in money market funds which are valued using pricing models that maximize the use of observable inputs for similar securities. Although a money market fund seeks to preserve the value of \$1 of investment at \$1 per share (unit), it is possible to lose money by investing in such a fund.

The following table set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2022 and 2021:

	Fair Value Measurements Using:	
	<u>Quoted Prices in Active</u>	
	<u>Markets for Identical Assets</u>	<u>Fair Value</u>
	<u>(Level 1)</u>	
December 31, 2022:		
Mutual funds	\$ 56,405,083	\$ 56,405,083
Unallocated cash in money market fund	-	-
Investments, at fair value	<u>\$ 56,405,083</u>	<u>\$ 56,405,083</u>
December 31, 2021:		
Mutual funds	\$ 70,528,417	\$ 70,528,417
Unallocated cash in money market fund	268	268
Investments, at fair value	<u>\$ 70,528,685</u>	<u>\$ 70,528,685</u>

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2022 are reported in net depreciation in value of investments.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

6. Party-In-Interest Transactions

Certain Plan investments are money market funds and shares of mutual funds managed by Prudential Trust Company (Prudential). Other Plan investments are units of stable value funds sponsored by Prudential Retirement Insurance and Annuity Company and managed Prudential Insurance Company of America, which are affiliated entities of Prudential. Prudential is the contract administrator and trustee of the Plan as defined by the Plan. Therefore, transactions with Prudential qualify as party-in-interest transactions. Fees paid by the Plan for contract administration services are included in administrative expenses on the accompanying statement of changes in net assets available for benefits. During 2022, fees directly paid by the Plan for contract administration services provided by Prudential totaled \$6,910.

Prudential uses Wells Fargo Clearing Services, LLC ("WFCS"), a subservice organization, to provide brokerage services (investment management services) to the Plan. Therefore, transactions with WFCS qualify as party-in-interest transactions. Fees paid by the Plan for investment management services are included in investment income on the accompanying statement of changes in net assets available for benefits, as they are paid through revenue sharing rather than a direct payment arrangement. During 2022, indirect fees paid by the Plan for investment management services provided by WFCS totaled \$125,332.

Payne & Smith, LLC is the Plan's independent public accountant ("IPA") as defined by the Plan. Therefore, the IPA is a party-in-interest under ERISA and transactions with the IPA qualify as party-in-interest transactions. During 2022, fees paid by the Plan for audit and nonattest services provided by the IPA were paid by the Company in full and are therefore, neither disclosed nor included or accrued on the accompanying financial statements.

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

7. Risks and Uncertainties

The Plan provides for various investment options in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with investment securities, and the level of uncertainty related to changes in the value of these securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and changes in net assets available for benefits.

The following table presents concentrations of investments that represented 5% or more of the Plan's net assets at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Investments at fair value:		
Bond Fund of America	\$ 7,034,396	\$ 7,850,739
Columbia Seligman Commun & Info. R5	***	5,061,086
Euro Pacific Growth Fund	6,338,738	7,839,554
Growth Fund of America	10,346,120	14,044,590
Invesco Comstock Y	12,038,461	13,217,621
Investments at contract value:		
Guaranteed Income Fund	24,814,264	24,951,093

*** Investment concentration did not represent 5% or more of the Plan assets as of the year end presented.

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

8. Tax Status

The Plan has adopted a prototype non-standardized profit-sharing plan with CODA sponsored by Prudential Insurance Company of America (Prudential). The prototype plan received an opinion letter, dated April 29, 2014, from the Internal Revenue Service ("IRS") as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by the Plan.

Accounting principles generally accepted in the United States of America require the Plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress.

9. Plan Termination

While there is no intention to do so, the employer reserves the right to terminate the Plan. In the event of termination of the Plan, the participants become fully vested in their employer contribution balances, and the net assets of the Plan will be distributed to the participants of the Plan in accordance with the provisions of ERISA.

10. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500 at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per the financial statements	\$ 84,078,252	\$ 97,914,593
Amounts excluded from Form 5500:		
Employer contributions receivable	(1,278,521)	(984,146)
Participants' contributions receivable	<u>(77,817)</u>	<u>(16,779)</u>
Total exclusions	<u>(1,356,338)</u>	<u>(1,000,925)</u>
Net assets available for benefits per Schedule H of Form 5500	<u>\$ 82,721,914</u>	<u>\$ 96,913,668</u>

The following is a reconciliation of statement of changes in net assets available for benefits per the financial statements for the year ended December 31, 2022 to Schedule H of Form 5500:

Net decrease in net assets available for benefits per the financial statements	\$ (13,836,341)
Amounts excluded from Form 5500:	
Change in employer contributions receivable	(294,375)
Change in participants' contributions receivable	<u>(61,038)</u>
Total exclusions	<u>(355,413)</u>
Net income per Schedule H of Form 5500	<u>\$ (14,191,754)</u>

SUPPLEMENTAL SCHEDULE

AUSTIN BANK, TEXAS, N.A.
EMPLOYEES' PROFIT SHARING PLAN

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2022

EIN: 75-0358895

PN: 002

(a)	(b)	(c)	(d)	(e)
<u>Identity of issuer, borrower, lessor or similar party</u>	<u>Description of investment</u>	<u>Units (Shares)</u>	<u>Cost</u>	<u>Current Value</u>
Investments at contract value:				
	Prudential Retirement Insurance and Annuity Company			
*	Guaranteed Income Fund	Stable value fund	906,222.7564	** \$ 24,814,264
Investments at fair value:				
	American Balanced Fund	Mutual fund	123,539.3626	** \$ 3,552,992
	Bond Fund of America	Mutual fund	618,136.7211	** 7,034,396
	Euro Pacific Growth Fund	Mutual fund	129,282.8504	** 6,338,738
	Growth Fund of America R3	Mutual fund	215,051.3402	** 10,346,120
	Hartford Small Cap Growth R3	Mutual fund	59,773.4083	** 2,069,356
	Invesco Comstock Y	Mutual fund	454,968.2865	** 12,038,461
	JPM Small Cap Value Select	Mutual fund	119,447.2146	** 2,887,039
*	Prudential Jennison Mid Cap Growth Z	Mutual fund	193,843.8621	** 3,324,423
*	Prudential QMA Stock Index Z	Mutual fund	60,725.2811	** 2,023,366
	Columbia Seligman Commun & Info. R5	Mutual fund	33,169.3453	** 3,162,697
*	Wells Fargo SPC Mid Cap	Mutual fund	81,792.4509	** 3,627,495
	Total investments at fair value			56,405,083
	Total investments			\$ 81,219,347
Notes receivable from participants:				
	Participant loans	Interest rates range from 4.25% to 8.75%, various maturity dates through September 2035		1,502,567
	TOTAL ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2022			\$ 82,721,914

* Denotes party-in-interest

** Cost not required for participant-directed investments

See accompanying independent auditor's report and notes thereto.

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning _____ and ending _____	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☐ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☐ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description) _____
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information												
1a Name of plan _____ 2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) _____	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 50%;"></td> </tr> <tr> <td>1c Effective date of plan</td> <td></td> </tr> <tr> <td>2b Employer Identification Number (EIN)</td> <td></td> </tr> <tr> <td>2c Plan Sponsor's telephone number</td> <td></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td></td> </tr> <tr> <td colspan="2" style="height: 40px;"></td> </tr> </table>	1b Three-digit plan number (PN) ▶		1c Effective date of plan		2b Employer Identification Number (EIN)		2c Plan Sponsor's telephone number		2d Business code (see instructions)			
1b Three-digit plan number (PN) ▶													
1c Effective date of plan													
2b Employer Identification Number (EIN)													
2c Plan Sponsor's telephone number													
2d Business code (see instructions)													

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE			
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address ☐ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1)
a(2) Total number of active participants at the end of the plan year	6a(2)
b Retired or separated participants receiving benefits.....	6b
c Other retired or separated participants entitled to future benefits	6c
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e
f Total. Add lines 6d and 6e	6f
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☐ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☐ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☐ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☐ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

[illegible]